

Message Text

UNCLASSIFIED

PAGE 01 JOHANN 00126 090956Z

12

ACTION AF-06

INFO OCT-01 ISO-00 FEA-01 ERDA-07 AID-05 CEA-01 CIAE-00

CIEP-02 COME-00 DODE-00 EB-07 FPC-01 H-02 INR-07

INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-04 USIA-15

SAM-01 OES-05 SP-02 SS-15 STR-04 TRSE-00 PA-02 PRS-01

/103 W

----- 116602

R 031400Z FEB 76

FM AMCONSUL JOHANNESBURG

TO SECSTATE WASHDC 4423

AMEMBASSY PRETORIA

AMCONSUL CAPETOWN

AMEMBASSY MBABANE

AMEMBASSY GABORONE

AMCONSUL DURBAN

AMEMBASSY MASERU

UNCLAS JOHANNESBURG 0126

CAPE TOWN FOR EMBASSY

E.O. 11652: N/A

TAGS: ENRG, SF

SUBJECT: NEW COAL-TO-OIL PLAN; SOUTH AFRICA

1. A FEB 2 JOHANNESBURG PRESS REPORT BY MAC THAIN (THE STAR) CLAIMS THAT A NEW AND MASSIVE PRIVATE SECTOR/PUBLIC SECTOR COAL UTILIZATION PROGRAM WILL BE LAUNCHED IN SOUTH AFRICA SOON -- TO BE CODE NAMED "COALCOM" (AN ACRONYM FOR COAL, COKE, OIL AND MEGAWATTS). CITING ANGLO AMERICAN CORPORATION SENIOR COAL PROCESSING ENGINEER D.W. HORSEFALL, THE STAR DRAMATICALLY HIGHLIGHTS THE PROJECTS ULTIMATE "POSSIBLE" ANNUAL PRODUCTION GOALS FOR "THE YEAR 2000": 12.7 MILLION TONS (NEARLY 95.0 MILLION BARRELS) OF SYNTHETIC FUEL OIL AND 18.5 MILLION TONS OF FORM-COKE (ARTIFICIAL COKE) TO BE OBTAINED FROM AN OUTPUT UNCLASSIFIED

UNCLASSIFIED

PAGE 02 JOHANN 00126 090956Z

OF 109.6 MILLION TONS OF BITUMINOUS COAL PER YEAR (CURRENT ALL-

SOUTH AFRICA COAL PRODUCTION: 65.0 MILLION TONS ANNUALLY). ACCORDING TO THAIN, A FUEL OIL PRODUCTION OF THIS MAGNITUDE WOULD REPRESENT "ROUGHLY EIGHT TIMES THE PLANNED OUTPUT OF SASOL II", WHILE FORM-COKE PRODUCTION WOULD MEET ABOUT HALF OF THE IRON AND STEEL INDUSTRIES ANTICIPATED NEEDS IN THIS COMMODITY (BY 2000).

2. MORE REALISTICALLY, AND NOT UNEXPECTEDLY ON A LOWER KEY, THE ARTICLE ALSO OUTLINES THE MORE CAUTIOUS ASPECTS OF THE PROJECT AS ENVISAGED BY ITS PARTNERS (I.E. PLANNED ORGANIZATIONAL STRUCTURE, PILOT PLANT CONSTRUCTION AND OPERATION AND INITIAL PRODUCTION TARGETS). EVEN IN THIS LESSER LIGHT, HOWEVER, COAL-COM APPEARS IMPRESSIVE, AS A COUNTRYWIDE, INTEGRATED, SOPHISTICATION OF EARLIER SASOL I AND SASOL II CONCEPTS.

3. REPORTEDLY, ANGLO AMERICAN RECENTLY ACHIEVED SOME SUCCESSES, AT LEAST, IN SEVERAL OF ITS LONG STANDING RESEARCH PROGRAMS ORIENTED TOWARD MORE EFFICIENT UTILIZATION OF THE COUNTRY'S WITBANK-MIDDELBURG BITUMINOUS COALS. THUS, TO FURTHER THESE PROGRAMS, AND TO BRING EACH INTO ECONOMIC PERSPECTIVES, A WORKING GROUP HAS BEEN FORMED TO INCLUDE REPRESENTATIVES FROM THE INDUSTRIAL DEVELOPMENT CORPORATION (IDC), SOUTH AFRICAN IRON AND STEEL INDUSTRIAL CORPORATION (ISCOR), SOUTH AFRICAN COAL, OIL AND GAS CORPORATION (SASOL), THE ELECTRICITY SUPPLY COMMISSION (ESCOM), TRANSVAAL COAL OWNERS ASSOCIATION, FUEL RESEARCH INSTITUTE AND ANGLO AMERICAN. THE GROUP WILL EXTEND RESEARCH INTENSIVELY; WITH PILOT PLANT STUDIES AND (IF SUCCESSFUL) A FULL SCALE PRODUCTION PLANT IN VIEW. THE PRELIMINARY OUTLOOK FORESEES POSSIBLE CONSTRUCTION OF THE FULL-SCALE COMPLEX "EARLY IN THE 1980'S" -- ON THE ORDER OF 15.1 MILLION TONS OF INPUT COAL ANNUALLY. MINE-RUN COAL WOULD BE WASHED TO PRODUCE 3.3 MILLION TONS OF METALLURGICAL COAL, 9.9 MILLION TONS OF BITUMINOUS COAL AND 1.9 MILLION TONS OF DISCARDS FOR THERMAL POWER GENERATION YEARLY. METALLURGICAL AND BITUMINOUS (HIGH AND LOW ASH) GRADES WOULD BE DE-HYDROGENATED TO YIELD 1.2 MILLION TONS OF CARBONIZATION GASES, 1.5 MILLION TONS OF TAR OILS, 2.2 MILLION TONS OF LOW ASH CHAR AND 8.0 MILLION TONS OF HIGH ASH CHAR FOR POWER PLANT CONSUMPTION. FINAL DOWNSTREAM PRODUCTS WOULD INCLUDE 1.25 MILLION TONS (9.3 MILLION BARRELS) OF SYNTHETIC CRUDE OIL, 2.2 MILLION TONS OF FORM-COKE, 3,000 UNCLASSIFIED

UNCLASSIFIED

PAGE 03 JOHANN 00126 090956Z

MEGAWATTS OF ELECTRICAL POWER AND 27.0 MILLION HEATING UNITS OF FUEL GAS.

4. THE STAR REPORT OBSERVES IN CONCLUSION THAT, IN THE FUTURE, INDIVIDUAL REFINING UNITS (PRESUMABLY OF THE SASOL I TYPE, OR EVEN IMPROVED VERSIONS OF IT) WOULD BE UNECONOMIC IF THE COALCOM CONCEPT MAY BE EFFECTIVELY TIED TO THE COUNTRY'S ESCOM POWER STATIONS AND IF SYNTHETICALLY-PRODUCED COALCOM CRUDE OIL

MAY ALSO BE FED TO A CENTRAL REFINERY AT SASOL II (TO BE CONSTRUCTED
AT ORICHARDT, TRANSVAAL; NEAR JOHANNESBURG).
GUTHRIE

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: COAL, PETROLEUM, DEVELOPMENT PROGRAMS
Control Number: n/a
Copy: SINGLE
Draft Date: 03 FEB 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976JOHANN00126
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760048-0540
From: JOHANNESBURG
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760288/aaaaczta.tel
Line Count: 118
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION AF
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: blochd0
Review Comment: n/a
Review Content Flags:
Review Date: 02 JUN 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <02 JUN 2004 by BrownAM>; APPROVED <02 DEC 2004 by blochd0>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: NEW COAL-TO-OIL PLAN; SOUTH AFRICA
TAGS: ENRG, SF
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006